

## GLOSSARY

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**Ad Valorem Tax:** A tax levied in proportion to the value of a property.

**Activity:** Departmental efforts which contribute to the achievement of a specific set of program outcomes; the smallest unit of the program budget.

**Allocate:** To set apart portions of budgeted expenditures which are specifically designated to organizations for special activities or purposes (i.e., various rescue squads).

**Annual Budget:** A budget covering a single fiscal year.

**Appropriation:** An authorization granted by the Board of Commissioners to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinance.

**Approved Budget:** The budget as formally adopted by the Board of Commissioners for the upcoming fiscal year.

**Assessed Value:** The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

**Assessment:** The process for determining values of real and personal property for taxation purposes.

**Authorized Bond:** Bonds which have been legally approved but may or may not have been sold.

**Balanced Budget:** Occurs when planned expenditures equal anticipated revenues. In North Carolina it is required that the budget submitted to the Board of Commissioners be balanced.

**Board of County Commissioners:** Five member Board elected at large by the voters of the County for four year terms.

**Bond:** A written promise to pay a specific amount of money with interest within a specific time period, usually long-term.

**Bond Issued:** Bonds that are sold.

**Bond Rating:** A grade indicating a governmental units' investment qualities. Generally speaking, the higher bond rating, the more favorable the interest rate and the lower the cost of financing capital projects funded by bonds. A high rating is indicative of the Government's strong financial position. Ratings range from AAA (highest) to D (lowest).

**Budget Document:** A formal document presented to the Board of Commissioners containing the County's financial plan for a fiscal year.

**Budget Message:** A written overview of the proposed budget from the County Manager to the Board of Commissioners which discusses the major budget items and the County's present and future financial condition.

**Capital Improvement Plan:** A long term plan of proposed capital improvement projects which includes estimated project costs and funding sources that the County expects to undertake within a five year period. The plan is updated annually to reassess capital needs.

**Capital Outlay:** An expenditure expected to have a useful life greater than three years or an estimated total cost of \$5,000 or more. Capital outlay expenditures include such purchases as a heavy duty calculator, a vehicle, or a microcomputer.

**Capital Project:** A project expected to have a useful life greater than ten years or an estimated total cost of \$100,000 or more and requiring professional certification. Capital projects include the construction, purchase, or major renovation of a building or the purchase of land.

**Capital Projects Fund:** A fund used to account for the acquisition or construction of major governmental capital facilities and equipment which are not financed by other funds.

**Contingency Account:** Account in which funds are set aside for unforeseen expenditures which may become necessary during the year and which have not been provided for in the context of the annual operating budget. Transfers from this account must be approved by the County Manager or Board of Commissioners.

**Current Expense:** Local funds used to supplement the State's minimum level of support for operating the schools. These funds by State law are appropriated on a per pupil basis.

**Debt Service Fund:** Fund used to account for the accumulation of resources for and payment of general long-term debt principal, interest, and related costs.

**Delinquent Taxes:** Taxes that remain unpaid after the due date on which a penalty for nonpayment is incurred.

**Department:** A major administrative division of the County that has overall management responsibility for an operation within a function area.

**DHR:** Represents Departments of Human Resources that includes Social Services, Public Health, and Mental Health Departments.

**Encumbrance:** A financial commitment for services, contracts, or goods that have not as yet been delivered or performed.

**Enterprise Fund:** A grouping of activities whose expenditures are wholly or partially offset by revenues collected from consumers in the form of fees and charges.

**Expenditures:** The total costs of a program or capital project.

**Fire District:** Special voter-approved districts within the County established to furnish fire protection to residents and supported by property taxes.

**Fiscal Year:** The time period beginning July 1 of a calendar year and ending on June 30 of the following calendar year. Budgeting is carried out on a fiscal year schedule.

**Fixed Asset:** An asset of long-term character. For budgetary purposes a fixed asset is defined as an item costing \$1000 or more with an expected life of more than three years.

**FORESIGHT:** FORESIGHT was first created in 1985 to bring 20 business, cultural, educational, and governmental leaders from across the County together for a detailed, long range strategic planning study. Their goal was to examine the County's economic status, identify key areas of strength and weakness, and recommend strategies that would enhance the County's long-term economic growth.

**Fringe Benefits:** For budgeting purposes fringe benefits include employer payments for social security, retirement, group health, life insurance, dental insurance, and workers compensation.

**Full-Time Equivalent (FTE):** An FTE converts the hours worked by a position into a percentage of a full year's number of hours. One FTE equals 40 hours per week or 2,080 hours per years per permanent position.

**Fund:** An accounting entity created to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or attain certain objectives in accordance with set laws and regulations.

**Fund Balance:** Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statutes dictate that a portion of fund balance should be retained and not made available for appropriation in the following fiscal year.

**Function:** A broad grouping of activities and departments whose outcomes and expenditures are inter-related. Examples of functions within Catawba County include Human Resources, Public Safety, and General Government.

**General Fund:** The general operating fund of the County used to account for all financial resources except those required to be accounted for in another fund.

**General Obligation Bonds:** Bonds issued by a government that are backed by the full faith and credit of its taxing authority.

**Grants:** A broad statement of desired conditions to be maintained or achieved through the efforts of an organization.

**Indirect Cost:** The component of the total cost for a service that is provided by and budgeted within another department or division. Indirect costs are budgeted to more accurately reflect the true total cost for such services such as those provided by the Administrative Departments.

**Intergovernmental Revenues:** Revenues from other governments (State, Federal, or local), which can be in the form of grants, shared revenues, or entitlement.

**Lease Purchase:** A method of purchasing equipment in which payments are spread over a period of time.

**Levy:** The amount of tax, service charge, and assessments imposed by the government.

**Line Item:** A budgetary account representing a specific object of expenditure.

**Modified Accrual:** The County budgets all funds on the modified accrual basis of accounting according to North Carolina General Statute. This is an accounting method in which revenues are recorded when they are earned or billed and expenditures are recorded when they are obligated.

**Ordinance:** A formal legislative enactment by the Board of Commissioners that has the full force and effect of law within the boundaries of the County.

**Personal Services:** Salaries and wages paid to employees for full-time, part-time, and temporary work including overtime and similar compensation. Also included in this account group are fringe benefits paid for employees.

**Program:** A well-defined portion of the operating plan for which a distinct set of goals and outcomes may be developed.

**Program Objective:** A specific statement about what is to be accomplished or achieved for a particular program during the fiscal year.

**Public Safety:** A group of expenditures related to the provision and enforcement of law enforcement and fire and disaster protection.

**Reappraisal:** The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

**Reclassification:** A change in the classification and corresponding job title of an existing position that results from a major change in assigned responsibilities.

**Reinventing Department:** One of seven departments operating under alternative methods for budgeting which give more flexibility for accounts.

**Reserve:** An account designated for a portion of the fund balance that is to be used for a specific purpose.

**Revenue:** Income including transfers and excluding proceeds from the sale of bonds or notes for the fiscal year. The major categories of revenue include taxes, intergovernmental, Federal and State, permits and fees, sales and services, and interest on investments.

**Special Revenue Fund:** A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

**Tax Levy:** Revenue produced by applying a given tax rate to a property's assessed or tax value.

**FINANCIAL STATISTICS AND STATEMENTS  
FOR FISCAL YEAR ENDING JUNE 30, 2006**

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of General Governmental Expenditures by Function<sup>1</sup>**  
**Last Ten Fiscal Years**

| <b>Fiscal Year Ended<br/>June 30</b>               | <b>General<br/>Government</b> | <b>Public<br/>Safety</b> | <b>Environmental<br/>Protection</b> | <b>Economic &amp; Physical<br/>Development</b> |
|--|-------------------------------|--------------------------|-------------------------------------|--|
| <b><i>Modified Accrual Basis of Accounting</i></b> |                               |                          |                                     |  |
| 1996   | 7,223,185                     | 10,562,616               | 422,185                             | 2,376,605                                      |
| 1997   | 7,548,796                     | 11,551,999               | 363,110                             | 3,522,497                                      |
| 1998   | 7,913,031                     | 11,940,204               | 413,193                             | 3,374,628                                      |
| 1999   | 8,058,798                     | 12,693,838               | 423,155                             | 4,199,148                                      |
| 2000   | 8,728,954                     | 15,094,171               | 430,994                             | 4,871,841                                      |
| 2001   | 7,466,659                     | 15,025,312               | 505,205                             | 6,735,065                                      |
| 2002   | 7,569,288                     | 16,313,961               | 388,926                             | 7,518,580                                      |
| 2003   | 8,543,435                     | 17,156,936               | 321,413                             | 7,409,045                                      |
| 2004   | 8,506,393                     | 19,088,555               | 384,942                             | 7,594,145                                      |
| 2005   | 9,449,992                     | 20,032,107               | 428,549                             | 7,886,973                                      |
| 2006   | 9,978,986                     | 21,209,400               | 452,180                             | 8,651,385                                      |

**Note:**

<sup>1</sup>Includes General, Special Revenue, and Capital Projects Funds.

| <b>Human<br/>Services</b> | <b>Culture and<br/>Recreation</b> | <b>Education</b> | <b>Capital<br/>Projects</b> | <b>Debt<br/>Service</b> | <b>Total</b> |
|---------------------------|-----------------------------------|------------------|-----------------------------|-------------------------|--------------|
| 38,127,429                | 1,855,028                         | 20,940,830       | 17,367,124                  | 6,866,958               | 108,143,771  |
| 42,007,839                | 2,085,563                         | 21,752,846       | 11,585,893                  | 7,292,216               | 108,365,413  |
| 45,268,605                | 2,024,044                         | 23,114,413       | 16,924,978                  | 7,682,635               | 120,389,614  |
| 47,155,262                | 2,265,773                         | 24,172,744       | 30,977,070                  | 9,344,983               | 143,041,792  |
| 48,907,143                | 2,274,479                         | 25,871,097       | 30,993,580                  | 10,854,822              | 148,633,362  |
| 53,307,477                | 2,292,733                         | 27,566,111       | 25,702,494                  | 11,481,155              | 152,140,725  |
| 55,721,269                | 2,234,409                         | 28,202,411       | 13,181,244                  | 10,987,317              | 142,117,405  |
| 56,659,920                | 2,186,614                         | 27,437,466       | 7,859,145                   | 10,778,702              | 138,352,676  |
| 59,078,864                | 2,331,664                         | 30,048,641       | 18,690,079                  | 10,427,413              | 156,150,696  |
| 66,508,454                | 2,610,001                         | 32,544,711       | 42,549,957                  | 14,836,096              | 199,341,170  |



**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of General Governmental Revenues by Source<sup>1</sup>**  
**Last Ten Fiscal Years**

| <b>Fiscal Year Ended<br/>June 30</b>               | <b>Ad Valorem<br/>Taxes</b> | <b>Other<br/>Taxes</b> | <b>Unrestricted<br/>Intergovernmental<br/>Revenues</b> |
|--|-----------------------------|------------------------|--|
| <b><i>Modified Accrual Basis of Accounting</i></b> |                             |                        |  |
| 1997   | 39,243,950                  | 18,496,322             | 4,477,652 <sup>2</sup>                                 |
| 1998   | 43,563,118                  | 20,206,753             | 4,468,639  |
| 1999   | 44,738,308                  | 21,392,472             | 4,473,707  |
| 2000   | 53,313,472                  | 23,136,615             | 4,455,262  |
| 2001   | 55,112,257                  | 23,470,898             | 4,466,558  |
| 2002   | 57,268,329                  | 23,023,315             | 4,021,740  |
| 2003   | 59,388,468                  | 25,207,828             | 1,379,229  |
| 2004   | 63,153,315                  | 28,444,404             | 1,336,917  |
| 2005   | 64,037,632                  | 30,151,572             | 1,095,733  |
| 2006   | 66,233,752                  | 31,654,028             | 1,248,170  |

**Note:**

<sup>1</sup>Includes General, Special Revenue, and Capital Projects Funds.

<sup>2</sup> This increase was brought about by the fact that Intangibles Taxes are not truly a tax any longer, but a State appropriation. Therefore, they are reported in the unrestricted intergovernment revenues now, rather than the other taxes.

| <b>Restricted<br/>Intergovernmental<br/>Revenues</b> | <b>Licenses and<br/>Permits</b> | <b>Sales and<br/>Service</b> | <b>Investment<br/>Earnings</b> | <b>Miscellaneous</b> | <b>Total</b> |
|--|---------------------------------|------------------------------|--------------------------------|----------------------|--------------|
| 25,014,450   | 1,320,465                       | 11,637,616                   | 3,130,845                      | 1,997,576            | 105,318,876  |
| 27,065,539   | 1,531,438                       | 12,189,055                   | 3,903,740                      | 3,635,247            | 116,563,529  |
| 27,585,577   | 1,740,558                       | 12,398,709                   | 3,628,919                      | 1,989,857            | 117,948,107  |
| 33,650,901   | 2,063,027                       | 12,042,526                   | 4,221,567                      | 2,301,963            | 135,185,333  |
| 39,413,713   | 2,104,748                       | 13,122,659                   | 5,239,407                      | 2,612,690            | 145,542,930  |
| 36,382,864   | 2,211,753                       | 15,121,137                   | 2,720,791                      | 2,544,061            | 143,293,990  |
| 32,683,132   | 2,383,424                       | 16,664,263                   | 2,107,354                      | 2,997,207            | 142,810,905  |
| 36,297,819   | 2,959,092                       | 17,742,167                   | 642,651                        | 4,614,575            | 155,190,940  |
| 42,141,280   | 3,457,883                       | 17,420,439                   | 2,773,588                      | 3,803,472            | 164,881,599  |
| 44,764,103   | 3,214,736                       | 16,591,727                   | 3,912,728                      | 3,725,976            | 171,345,220  |

**CATAWBA COUNTY, NORTH CAROLINA**  
**Assessed Valuation and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Real Property</b> | <b>Personal Property</b> | <b>Public Utilities</b> |
|--------------------|----------------------|--------------------------|-------------------------|
| 1997               | 5,010,344,852        | 1,888,956,123            | 399,841,311             |
| 1998               | 5,125,986,153        | 2,178,621,231            | 418,315,103             |
| 1999               | 5,316,945,979        | 2,238,372,239            | 387,202,399             |
| 2000               | 7,415,161,955        | 2,324,551,977            | 502,521,581             |
| 2001               | 7,676,297,260        | 2,614,445,636            | 484,704,904             |
| 2002               | 7,988,283,700        | 2,709,118,917            | 479,273,637             |
| 2003               | 8,265,105,733        | 2,796,143,745            | 507,720,148             |
| 2004               | 9,513,468,457        | 2,640,843,044            | 517,072,839             |
| 2005               | 9,722,396,729        | 2,680,617,427            | 539,742,782             |
| 2006               | 9,919,033,408        | 2,558,398,877            | 545,842,516             |

| <b>Total Assessed Value</b> | <b>Total Direct Tax Rate</b> | <b>Estimated Real<br/>Market Value</b> |
|-----------------------------|------------------------------|--|
| 7,299,142,286               | 0.520                        | 9,168,624,904                          |
| 7,722,922,487               | 0.550                        | 10,153,724,017                         |
| 7,942,520,617               | 0.550                        | 11,123,978,455                         |
| 10,242,235,513              | 0.495                        | 10,331,082,825                         |
| 10,775,447,800              | 0.495                        | 11,493,810,987                         |
| 11,176,676,254              | 0.495                        | 12,119,579,542                         |
| 11,568,969,626              | 0.495                        | 12,965,336,351                         |
| 12,671,384,340              | 0.480                        | 12,715,889,955                         |
| 12,942,756,938              | 0.480                        | 13,033,994,902                         |
| 13,023,274,801              | 0.480                        | N/A                                    |

**Note:**

Tax rate expressed in dollars of tax per \$100 of assessed valuation.

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

|                                     | <i>Fiscal Year</i> |             |             |             |             |
|-------------------------------------|--------------------|-------------|-------------|-------------|-------------|
|                                     | <b>2006</b>        | <b>2005</b> | <b>2004</b> | <b>2003</b> | <b>2002</b> |
| <b>Catawba County</b>               | 0.4900             | 0.4800      | 0.4800      | 0.4950      | 0.4950      |
| <b>Fire Districts</b>               |                    |             |             |             |             |
| Bandys                              | 0.0500             | 0.0390      | 0.0390      | 0.0390      | 0.0390      |
| Catawba                             | 0.0700             | 0.0700      | 0.0700      | 0.0700      | 0.0700      |
| Claremont                           | 0.0700             | 0.0700      | 0.0700      | 0.0700      | 0.0700      |
| Conover Rural                       | 0.0500             | 0.0500      | 0.0350      | 0.0350      | 0.0350      |
| Cooksville                          | 0.0550             | 0.0550      | 0.0550      | 0.0600      | 0.0600      |
| Denver                              | 0.0500             | 0.0450      | 0.0293      | 0.0320      | 0.3200      |
| Fairbrook                           | 0.0325             | 0.0257      | 0.0257      | 0.0280      | 0.2800      |
| Icard - Long View                   | 0.0000             | 0.0000      | 0.0000      | 0.0440      | 0.4400      |
| Icard - Mountain View               | 0.0000             | 0.0000      | 0.0000      | 0.0400      | 0.4000      |
| Long View                           | 0.0568             | 0.0568      | 0.0568      | 0.0620      | 0.6200      |
| Maiden                              | 0.0312             | 0.0312      | 0.0312      | 0.0340      | 0.0340      |
| Mountain View                       | 0.0425             | 0.0425      | 0.0425      | 0.0450      | 0.0450      |
| Newton                              | 0.0700             | 0.0513      | 0.0513      | 0.0560      | 0.0560      |
| Oxford                              | 0.0600             | 0.0600      | 0.0600      | 0.0600      | 0.0600      |
| Propst                              | 0.0650             | 0.0650      | 0.0650      | 0.0650      | 0.0650      |
| Sherrills Ford                      | 0.0500             | 0.0400      | 0.0400      | 0.0400      | 0.0400      |
| Startown                            | 0.0000             | 0.0000      | 0.0000      | 0.0000      | 0.0000      |
| St. Stephens                        | 0.0500             | 0.0500      | 0.0500      | 0.0500      | 0.0500      |
| Viewmont                            | 0.0325             | 0.0248      | 0.0248      | 0.0270      | 0.0270      |
| <b>Municipalities:</b>              |                    |             |             |             |             |
| Town of Brookford                   | 0.5200             | 0.5200      | 0.5200      | 0.5200      | 0.5200      |
| Town of Catawba                     | 0.4800             | 0.4800      | 0.4800      | 0.4800      | 0.4800      |
| City of Claremont                   | 0.4500             | 0.4500      | 0.4500      | 0.4500      | 0.4500      |
| City of Conover                     | 0.3800             | 0.3800      | 0.3600      | 0.3800      | 0.3600      |
| City of Hickory                     | 0.5000             | 0.5000      | 0.5000      | 0.5500      | 0.5500      |
| Town of Long View                   | 0.4000             | 0.4000      | 0.4000      | 0.4000      | 0.4000      |
| Town of Maiden                      | 0.4000             | 0.3800      | 0.3800      | 0.4000      | 0.4000      |
| City of Newton                      | 0.4400             | 0.4400      | 0.4400      | 0.4700      | 0.4700      |
| Total Maximum Rate - Fire District  | 0.5600             | 0.5500      | 0.5500      | 0.5650      | 0.5650      |
| Total Maximum Rate - Municipalities | 1.0100             | 1.0000      | 1.0000      | 1.0450      | 1.0450      |

**Note:**

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. For the above years, the tax levies were assessed at one hundred percent (100%) of the actual value.

| <i>Fiscal Year</i> |             |             |             |             |
|--------------------|-------------|-------------|-------------|-------------|
| <b>2001</b>        | <b>2000</b> | <b>1999</b> | <b>1998</b> | <b>1997</b> |
| 0.4950             | 0.4950      | 0.5500      | 0.5500      | 0.5200      |
| 0.0390             | 0.0390      | 0.0400      | 0.0400      | 0.0400      |
| 0.0700             | 0.0700      | 0.0700      | 0.0700      | 0.0700      |
| 0.0700             | 0.0700      | 0.0700      | 0.0700      | 0.0700      |
| 0.0350             | 0.0350      | 0.0350      | 0.0350      | 0.0350      |
| 0.0600             | 0.0600      | 0.0600      | 0.0600      | 0.0600      |
| 0.0320             | 0.0320      | 0.0400      | 0.0300      | 0.0300      |
| 0.0280             | 0.0280      | 0.0400      | 0.0550      | 0.0550      |
| 0.0440             | 0.0440      | 0.0500      | 0.0500      | 0.0500      |
| 0.0400             | 0.0400      | 0.0500      | 0.0500      | 0.0500      |
| 0.0620             | 0.0620      | 0.0760      | 0.0760      | 0.0800      |
| 0.0340             | 0.0340      | 0.0425      | 0.0350      | 0.0350      |
| 0.0450             | 0.0410      | 0.0475      | 0.0475      | 0.0475      |
| 0.0600             | 0.0500      | 0.0500      | 0.0500      | 0.0500      |
| 0.0600             | 0.0600      | 0.0600      | 0.0600      | 0.0500      |
| 0.0650             | 0.0650      | 0.0650      | 0.0650      | 0.0650      |
| 0.0400             | 0.0320      | 0.0420      | 0.0420      | 0.0420      |
| 0.0500             | 0.0500      | 0.0500      | 0.0500      | 0.0500      |
| 0.0500             | 0.0500      | 0.0500      | 0.0500      | 0.0500      |
| 0.0270             | 0.0270      | 0.0325      | 0.0325      | 0.0325      |
| 0.5200             | 0.5200      | 0.5200      | 0.5200      | 0.5200      |
| 0.4800             | 0.4800      | 0.4900      | 0.4900      | 0.4900      |
| 0.4500             | 0.4500      | 0.4700      | 0.4700      | 0.4700      |
| 0.3600             | 0.3600      | 0.3800      | 0.3800      | 0.3800      |
| 0.5500             | 0.5500      | 0.5900      | 0.5900      | 0.5900      |
| 0.4000             | 0.4000      | 0.4000      | 0.4000      | 0.4000      |
| 0.3700             | 0.3700      | 0.4000      | 0.4000      | 0.4000      |
| 0.4700             | 0.4700      | 0.5400      | 0.5400      | 0.0430      |
| 0.5650             | 0.565       | 0.6260      | 0.6260      | 0.6000      |
| 1.0450             | 1.045       | 1.1400      | 1.1400      | 1.1100      |

**CATAWBA COUNTY, NORTH CAROLINA**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Year**

| <b>Fiscal Year Ended<br/>June 30</b> | <b>General Obligation<br/>Bonds</b> | <b>Total Taxable<br/>Assessed Value</b> | <b>Percentage of<br/>Actual Taxable<br/>Value of Property</b> | <b>Per<br/>Capita</b> |
|--------------------------------------|-------------------------------------|---|---|-----------------------|
| 1997                                 | \$49,125,000                        | \$7,299,142,286                         | \$0.67  | \$384                 |
| 1998                                 | 69,515,000                          | 7,722,922,487                           | 0.90  | 533                   |
| 1999                                 | 80,710,000                          | 7,942,520,617                           | 1.02  | 609                   |
| 2000                                 | 83,285,000                          | 10,242,235,513                          | 0.81  | 621                   |
| 2001                                 | 76,450,000                          | 10,775,447,800                          | 0.71  | 540                   |
| 2002                                 | 69,650,000                          | 11,176,676,254                          | 0.62  | 480                   |
| 2003                                 | 63,040,000                          | 11,568,969,626                          | 0.54  | 430                   |
| 2004                                 | 55,880,000                          | 12,671,384,340                          | 0.44  | 380                   |
| 2005                                 | 49,340,000                          | 12,942,756,938                          | 0.38  | 332                   |
| 2006                                 | 42,815,000                          | 13,023,274,801                          | 0.33  | 287                   |

**CATAWBA COUNTY, NORTH CAROLINA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

|   | 2006             | 2005             | 2004             | 2003             | 2002             |
|---|------------------|------------------|------------------|------------------|------------------|
| Assessed Value (after exemptions)       | \$13,023,274,801 | \$12,942,756,938 | \$12,671,384,340 | \$11,568,969,626 | \$11,176,676,254 |
| Debt Limit Rate                         | 8%               | 8%               | 8%               | 8%               | 8%               |
| Debt Limit                              | 1,041,861,984    | 1,035,420,555    | 1,013,710,747    | 925,517,570      | 894,134,100      |
| Less total net debt applicable to limit | 111,610,000      | 112,385,000      | 69,575,814       | 66,859,085       | 73,775,188       |
| Legal Debt Margin                       | 930,251,984      | 923,035,555      | 944,134,933      | 858,658,485      | 820,358,912      |

|  |     |     |    |    |    |
|--|-----|-----|----|----|----|
| Total net debt applicable to the limit as a percentage of legal debt limit | 11% | 11% | 7% | 7% | 8% |
|--|-----|-----|----|----|----|

**Legal Debt Margin Calculation for Fiscal Year 2006**

|   |                  |
|---|------------------|
| Assessed Value (after exemptions)               | \$13,023,274,801 |
| Debt limit (8% of assessed value)               | 1,041,861,984    |
| Debt applicable to limit                        |                  |
| Outstanding general obligation debt             | 42,815,000       |
| Authorized and unissued general obligation debt | 6,970,000        |
| Certificates of participation                   | 51,015,000       |
| Installment purchase                            | 17,780,000       |
| Less statutory deductions                       |                  |
| Unissued refunding bonds                        | (6,970,000)      |
| Total net debt applicable to limit              | 111,610,000      |
| Legal debt margin                               | 930,251,984      |



|   | 2001             | 2000             | 1999            | 1998            | 1997            |
|---|------------------|------------------|-----------------|-----------------|-----------------|
| Assessed Value (after exemptions)       | \$10,775,447,800 | \$10,242,235,513 | \$7,942,520,617 | \$7,722,922,487 | \$7,299,142,286 |
| Debt Limit Rate                         | 8%               | 8%               | 8%              | 108%            | 208%            |
| Debt Limit                              | 862,035,824      | 819,378,841      | 635,401,649     | 617,833,799     | 583,931,383     |
| Less total net debt applicable to limit | 80,653,877       | 87,648,423       | 84,777,641      | 73,765,685      | 53,482,678      |
| Legal Debt Margin                       | 781,381,947      | 731,730,418      | 550,624,008     | 544,068,114     | 530,448,705     |

|  |    |     |     |     |    |
|--|----|-----|-----|-----|----|
| Total net debt applicable to the limit as a percentage of debt limit | 9% | 11% | 13% | 12% | 9% |
|--|----|-----|-----|-----|----|

## **Debt Management Policy**

Catawba County has established debt management criteria that addresses several needs:

- Provide essential facilities in a timely fashion
- Preserve the County's strong fiscal position
- Ensure sufficient flexibility to meet future obligations or opportunities
- Manage its debt obligations to meet demands for capital facilities while striving to maintain or to improve the County's Aa2/AA- bond rating.

Although the Board of Commissioners has not formally adopted specific debt limits, the following standards are considered when issuing debt.

1. Outstanding debt should not exceed \$1,000 (current is \$747) per capita. Per capita debt is considered to be a basic benchmark that depicts a jurisdiction's burden on the general population.
2. Outstanding debt should not exceed 8% of the Countywide tax base. North Carolina state law permits local governments to issue debt up to 8% of the total assessed valuation. As of June 30, 2006, the County has \$111,610,000 of outstanding debt, which includes \$42,815,000 of outstanding general obligation principal debt. Outstanding general obligation debt is .33% of the total assessed valuation. At the current level of assessed value, Catawba County could legally incur up to \$1.042 billion of debt under State law.
3. The County's annual debt service payment should not exceed 15% of the General Fund budget. Debt Service payments are the legal obligation of the county. The County must be able to support those payments yet continue to be able to respond to any changing priorities. In Fiscal Year 2007/08, the ratio of Debt Service payments to General Fund budget is 9.84%.

**CATAWBA COUNTY, NORTH CAROLINA**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Population Estimate</b> | <b>Personal Income</b> | <b>Per Capita Income</b> | <b>Median Age</b> | <b>School Enrollment</b> | <b>Unemployment Rate</b> |
|--------------------|----------------------------|------------------------|--------------------------|-------------------|--------------------------|--------------------------|
| 1997               | 128,055                    | 3,321,106,425          | 25,935                   | 35.8              | 22,093                   | 3.5%                     |
| 1998               | 130,371                    | 3,540,485,247          | 27,157                   | 36.7              | 22,440                   | 2.6%                     |
| 1999               | 132,545                    | 3,744,793,885          | 28,253                   | 36.7              | 23,004                   | 1.8%                     |
| 2000               | 134,125                    | 3,747,133,936          | 27,937                   | 37.0              | 23,600                   | 1.8%                     |
| 2001               | 141,685                    | 3,879,504,366          | 27,381                   | 36.1              | 23,875                   | 6.4%                     |
| 2002               | 145,071                    | 3,906,036,675          | 26,925                   | 36.2              | 23,688                   | 9.4%                     |
| 2003               | 146,690                    | 3,884,791,270          | 26,483                   | 36.3              | 23,825                   | 9.3%                     |
| 2004               | 146,971                    | 4,090,055,959          | 27,829                   | 36.4              | 23,942                   | 7.2%                     |
| 2005               | 148,797                    | N/A                    | N/A                      | 36.6              | 24,243                   | 6.6%                     |
| 2006               | 149,416                    | N/A                    | N/A                      | 36.7              | 24,455                   | 5.4%                     |

N/A = Not Available

Sources:

Bureau of the Census, Department of Commerce - Employment Security Commission, Office of State Planning, Bureau of Economic Analysis

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Principal Taxpayers**  
**For the Fiscal Year Ended June 30, 2005**

| <b>Taxpayer</b>                        | <b>Type of Business</b> | <b>Taxable Assessed<br/>Value</b> | <b>% of Total<br/>Assessed Value</b> |
|--|-------------------------|-----------------------------------|--------------------------------------|
| Duke Energy Corporation                | Electric Utility        | \$267,349,184                     | 3.66%                                |
| CommScope, Inc.                        | Cable Manufacturer      | \$94,311,257                      | 1.29%                                |
| Corning Cable Systems                  | Optical Cable           | 111,838,530                       | 1.53%                                |
| Draka Comteq Americas, Inc.            | Cable Manufacturer      | 72,322,185                        | 0.99%                                |
| Hickory Springs Mfg. Co., Inc.         | Furniture Supplies      | 30,451,702                        | 0.42%                                |
| Central Telephone Company              | Telephone               | 42,675,572                        | 0.58%                                |
| Shuford Mills, Inc/Shuford Development | Textiles & Tape         | 43,840,181                        | 0.60%                                |
| RR Donnelly Printing Company           | Commercial Printing     | 39,868,028                        | 0.55%                                |
| Crescent Resources/Carolina Centers    | Timber                  | 27,765,133                        | 0.38%                                |
| The Lane Company                       | Furniture Manufacturer  | 24,455,954                        | 0.33%                                |
|  |                         | <u>\$754,877,726</u>              | <u>10.33%</u>                        |
| Total Assessed Valuation               |                         | <u>\$7,299,142,286</u>            |                                      |

Source: Catawba County Tax Collector

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Principal Employers**  
**Current Year**

| <b>Employer</b>                         | <b>Number of Employees</b> | <b>Percentage of<br/>Estimated Total<br/>County Employment</b> |
|---|----------------------------|--|
| Frye Regional Medical Center            | 1,900                      | 2.63%  |
| Catawba County School System            | 1,800                      | 2.49%  |
| Hickory Springs Manufacturing Co., Inc. | 1,329                      | 1.84%  |
| Catawba Valley Medical Center           | 1,261                      | 1.74%  |
| CV Industries, Inc.                     | 1,100                      | 1.52%  |
| Catawba County Government               | 1,089                      | 1.51%  |
| Sherrill Furniture Company              | 1,078                      | 1.49%  |
| Pierre Foods                            | 856                        | 1.18%  |
| McCreary Modern                         | 742                        | 1.03%  |
| CommScope, Inc.                         | 740                        | 1.02%  |
|   | <b>11,895</b>              | <b>16.45%</b>  |

**CATAWBA COUNTY, NORTH CAROLINA**  
**Notes to the General Purpose Financial Statements**  
**Year ended June 30, 2006**

**General Obligation Indebtedness**

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due from property tax revenues.

The County's general obligation bonds payable at June 30, 2006, are comprised of the following individual services.

Serviced by the County's General Fund:

|   |             |
|---|-------------|
| \$14,600,000 1997 School Facility Series Bond due in varying annual installments from \$900,000 - \$1,100,000 through June 1, 2013; interest at 4.7 – 4.75%. \$6.2 million of these bonds were refunded in June 2005. | \$1,000,000 |
|---|-------------|

|   |             |
|---|-------------|
| \$9,800,000 1998 School Facility Series Bonds due in varying annual installments from \$550,000 - \$800,000 through June 1, 2013; interest at 4.3 – 4.4%. | \$5,200,000 |
|---|-------------|

|   |             |
|---|-------------|
| \$16,645,000 1999 School Facility Series Bonds due in varying annual installments from \$950,000, - \$1,400,000 through June 1, 2014; interest at 4.4 – 4.7%. | \$9,900,000 |
|---|-------------|

|   |             |
|---|-------------|
| \$8,955,000 2000 School Facility Series Bonds due in varying annual installments from \$450,000 - \$805,000 through June 1, 2015: interest at 5.3 – 5.4%. \$3.68 million of these bonds were refunded in June 2005. | \$2,375,000 |
|---|-------------|

|   |             |
|---|-------------|
| \$14,495,000 2002 School Facility and Community College Refunding Bonds due in varying annual installments from \$420,000, - \$2,240,000 Through June 1, 2014; interest at 2.0 – 4.0% |             |
| Schools   | \$7,368,000 |
| Community College   | \$1,842,000 |

|   |              |
|---|--------------|
| \$16,053,000 School Facility and Community College Refunding Bonds due in varying annual installments from \$760,000 - \$2,240,000 Through June 2, 2015; interest at 3.0 – 3.75%. |              |
| Schools   | \$14,530,852 |
| Community College   | \$ 599,148   |

|       |              |
|-------|--------------|
| Total | \$42,815,000 |
|-------|--------------|

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

| Year Ending June 30 | <u>Principal</u>    | <u>Interest</u>    |
|---------------------|---------------------|--------------------|
| 2007                | \$6,275,000         | \$1,742,518        |
| 2008                | \$6,380,000         | \$1,489,869        |
| 2009                | \$6,395,000         | \$1,243,544        |
| 2010                | \$6,455,000         | \$993,494          |
| 2011                | \$5,200,000         | \$729,769          |
| 2012 – 2015         | <u>\$12,110,000</u> | <u>\$1,033,719</u> |
| Total               | \$42,815,000        | \$7,232,913        |

At June 30, 2006, Catawba County had \$6,970,000 of authorized but unissued bonds and had a legal debt margin of \$930,251,984.

#### **General Obligation Refunding Bonds**

On June 1, 2005, the County issued \$16,035,000 of General Obligation Refunding Bonds to provide re-sources to purchase United States government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt payment of the following \$15,455,000 general obligation bonds.

\$3,575,000 School Bonds, Series 1995, dated 6/1/1995, and stated to mature in installments on June 1 in the years 2006 – 2010. These bonds were called August 1, 2005.

\$2,000,000 Public School Improvement Bonds, Series 1996, dated 5/1/1996, and stated to mature in installments on June 1 in the years 2006 – 2011. These bonds were called June 1, 2006.

\$6,200,000 School Bonds, Series 1997, dated 7/1/1997, and stated to mature in installments on June 1 in the years 2006-2013. First call date is June 1, 2007.

\$3,680,000 School Bonds, Series 2000, dated 6/1/2000, and stated to mature in installments on June 1 in the years 2006-2015. First call date is June 1, 2010.

As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$580,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt payments over the next 10 years by \$529,616 and resulted in an economic gain of \$495,644.

Total 2005 Refunding Bonds outstanding at June 30, 2006 were \$9,880,000.

#### **Revenue Bonds North Carolina Recreational Facilities**

On December 22, 1999, the County issued County of Catawba, North Carolina Recreational Facilities Lease Revenue Bonds (YMCA of Catawba Valley Project), Series 1999 totaling

\$4,300,000 pursuant to an Indenture of Trust dated as of December 1, 1999 (the "Indenture") between the County of Catawba, North Carolina (the "County") and First Citizens Bank and Trust Company, as trustee (the "Trustee"), and authorized by a bond order of the County adopted effective as of December 8, 1999. The proceeds received by the County from the sale of the Bonds will be used by the County to acquire, pursuant to the Ground Lease dated as of December 1, 1999 (the "Ground Lease") between the Young Mens Christian Association of Catawba Valley, Inc. (the "Corporation") as Lessor and the County as Lessee, a long-term leasehold estate in (i) certain existing recreational facilities owned by the Corporation, and (ii), certain real property on which the Corporation intends to construct new recreational facilities to be owned by the Corporation ((i) and (ii) collectively, the "Property"), which Property the County simultaneously will lease back to the Corporation pursuant to the Lease Agreement dated as of December 1, 1999 (the "Lease Agreement") between the County and the Corporation. The Corporation intends to use the funds it receives from the lease of the property to the County under the Ground Lease and from other sources for the purpose of refinancing certain existing indebtedness and financing the costs of acquiring, constructing, improving, and equipping certain new recreational facilities, which are located within the County.

The Bonds will be limited obligations of the County. The Bonds and interest thereon and any redemption or purchase premiums with respect thereto do not now and shall never constitute an indebtedness or an obligation of the County, the State of North Carolina (the "State") or any political subdivision thereof, within the meaning of any constitutional limitation or statutory provision and will not give rise to a charge against the general credit or taxing powers of any of them, but shall be payable solely from the revenues and income derived from the Lease Agreement, which revenues and income have been pledged and assigned to the Trustee to secure payment thereof, and from moneys available to be drawn by the Trustee under the Credit Facility. No owner of the Bonds shall have the right to compel the exercise of the taxing power of the County, the State or any political subdivision thereof to pay any principal installment or purchase price of, or redemption or purchase premium, if any, or interest on the Bonds.

Total NC Recreational Facilities Lease Revenue Bonds outstanding at June 30, 2006 were \$2.4 million.

### **Catawba Valley Medical Center**

On March 1, 1999, the County issued County of Catawba, North Carolina Refunding Revenue Bonds (Catawba Memorial Hospital Project) Series 1999 (the "Series 1999 Bonds") totaling \$23,620,000 for the purpose of refunding the Series 1992 Hospital Revenue bonds (the "Series 1992 Bonds"). The County defeased \$24,070,000 of the Series 1992 bonds in an escrow fund to provide for all future debt service. As a result of this defeasance transaction, a proportionate amount of the unamortized bond issuance costs were written off. A loss of \$2,286,075 was deferred and is being amortized over the remaining life of the refunded bonds. Costs of \$637,326 were incurred in connection with the issuance of the Series 1999 Bonds and have been deferred. Such cost have being amortized over the remaining terms of the Series 1999 Bonds. The revenue bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the



County or the forfeiture of any of its property in connection with any default under the bond order.

Total 1999 Hospital Refunding Bonds outstanding at June 30, 2006 were \$19.3 million.

### Long-Term Obligation Activity

The following is a summary of changes in the County's general long-term debt for the year ended June 30, 2006:

Compensated absences typically have been liquidated in the general fund and are accounted for on a last in first out (LIFO) basis, assuming that employees are taking leave time as it is earned. The current portion of compensated absences is estimated at \$2,394,000 for governmental activities and \$53,000 for business-type activities.

|   | Balance<br>June 30, 2005 | Increases    | Decreases      | Balance<br>June 30, 2006 | Current Portion<br>of Balance |
|---|--------------------------|--------------|----------------|--------------------------|-------------------------------|
| <b>Governmental Activities</b>                          |                          |              |                |                          |                               |
| General obligation debt                                 | \$49,340,000             | \$0          | (\$6,525,000)  | \$42,815,000             | \$6,275,000                   |
| Certificates of Participation                           | 53,805,000               | 0            | (2,790,000)    | 51,015,000               | 2,790,000                     |
| Installment purchases                                   | 9,240,000                | 9,200,000    | (660,000)      | 17,780,000               | 1,273,333                     |
| Compensated absences                                    | 3,388,325                | 2,487,552    | (2,394,529)    | 3,481,348                | 2,394,000                     |
| Net pension obligation                                  | 495,343                  | 9,401        | 0              | 504,744                  | 0                             |
| Total   | \$116,268,668            | \$11,696,953 | (\$12,369,529) | \$115,596,092            | \$12,732,333                  |
| <b>Business-type Activities</b>                         |                          |              |                |                          |                               |
| Accrued landfill closure and<br>post-closure care costs | \$3,757,589              | \$105,208    | \$0            | \$3,862,797              | \$110,036                     |
| Compensated absences                                    | 89,551                   | 57,444       | (53,366)       | 93,629                   | 530,000                       |
| Total   | \$3,847,140              | \$162,652    | (\$53,366)     | \$3,956,426              | \$640,036                     |

## INTERFUND TRANSFERS

|  | Actual<br>2005/06    | Approved<br>2006/07  | Approved<br>2007/08  |
|--|----------------------|----------------------|----------------------|
| <b>Emergency Telephone System Fund</b> |                      |                      |                      |
| Transfers Out                          |                      |                      |                      |
| To General Capital Projects Fund       | \$0                  | \$0                  | (\$500,000)          |
| To General Fund                        | 0                    | (32,668)             | 0                    |
|  | <u>\$0</u>           | <u>(\$32,668)</u>    | <u>(\$500,000)</u>   |
| <b>General Capital Projects</b>        |                      |                      |                      |
| Transfers In                           |                      |                      |                      |
| From General Fund                      | \$299,909            | \$278,500            | \$889,310            |
| From Mental Health                     | 0                    | 678,000              | 0                    |
| From Emergency Telephone System Fur    | 0                    | 0                    | 500,000              |
| From Parks Preservation Trust Fund     | 35,000               | 0                    | 0                    |
|  | <u>\$334,909</u>     | <u>\$956,500</u>     | <u>\$1,389,310</u>   |
| Transfers Out                          |                      |                      |                      |
| To General Fund                        | (\$1,000,000)        | (\$1,000,000)        | (\$184,095)          |
|  | <u>(\$1,000,000)</u> | <u>(\$1,000,000)</u> | <u>(\$184,095)</u>   |
| <b>General Capital Reserve</b>         |                      |                      |                      |
| Transfers In                           |                      |                      |                      |
| From General Fund                      | \$0                  | \$70,000             | \$0                  |
|  | <u>\$0</u>           | <u>\$70,000</u>      | <u>\$0</u>           |
| Transfers Out                          |                      |                      |                      |
| To General Fund                        | (\$290,699)          | (\$71,866)           | (\$52,059)           |
|  | <u>(\$290,699)</u>   | <u>(\$71,866)</u>    | <u>(\$52,059)</u>    |
| <b>General Fund</b>                    |                      |                      |                      |
| Transfers In                           |                      |                      |                      |
| From Emergency Telephone System Fur    | \$0                  | \$32,668             | \$0                  |
| From General Capital Projects          | 1,000,000            | 1,000,000            | 184,095              |
| From General Capital Reserve           | 290,699              | 71,866               | 52,059               |
| From Schools' Construction             | 275,117              | 803,747              | 97,487               |
| From Water & Sewer Reserve             | 114,981              | 60,117               | 77,958               |
| From Wireless Fund                     | 0                    | 32,668               | 0                    |
|  | <u>\$1,680,797</u>   | <u>\$2,001,066</u>   | <u>\$411,599</u>     |
| Transfers Out                          |                      |                      |                      |
| To General Capital Projects Fund       | (\$299,909)          | (\$956,500)          | (\$889,310)          |
| To General Capital Reserve Fund        | 0                    | (70,000)             | 0                    |
| To Reappraisal Fund                    | (448,593)            | (455,121)            | (436,964)            |
| To Rescue Squads Fund                  | (739,532)            | (840,536)            | (924,000)            |
| To Schools' Capital Projects Fund      | 0                    | 0                    | 0                    |
| To Schools' Construction Fund          | 0                    | 0                    | (199,000)            |
| To Self Insurance Fund                 | (721,000)            | (776,460)            | (776,460)            |
| To Solid Waste Management Fund         | (1,270)              | 0                    | 0                    |
| To Water & Sewer Construction Fund     | (1,950,000)          | (1,950,000)          | (2,100,000)          |
| To Water & Sewer Reserve Fund          | (36,641)             | 0                    | 0                    |
|  | <u>(\$4,196,945)</u> | <u>(\$5,048,617)</u> | <u>(\$5,325,734)</u> |

| <b>INTERFUND TRANSFERS</b>            |                           |                             |                             |
|---------------------------------------|---------------------------|-----------------------------|-----------------------------|
|                                       | <b>Actual<br/>2005/06</b> | <b>Approved<br/>2006/07</b> | <b>Approved<br/>2007/08</b> |
| <b>Parks Preservation Trust Fund</b>  |                           |                             |                             |
| Transfers Out                         |                           |                             |                             |
| To General Capital Projects Fund      | (\$35,000)                | \$0                         | \$0                         |
|                                       | (\$35,000)                | \$0                         | \$0                         |
| <b>Reappraisal</b>                    |                           |                             |                             |
| Transfers In                          |                           |                             |                             |
| From General Fund                     | \$448,593                 | \$455,121                   | \$436,964                   |
|                                       | \$448,593                 | \$455,121                   | \$436,964                   |
| <b>Rescue Squads</b>                  |                           |                             |                             |
| Transfers In                          |                           |                             |                             |
| From General Fund                     | \$739,532                 | \$840,536                   | \$924,000                   |
|                                       | \$739,532                 | \$840,536                   | \$924,000                   |
| <b>School Bond Fund</b>               |                           |                             |                             |
| Transfers In                          |                           |                             |                             |
| From Schools' Capital Projects Fund   | \$10,987                  | \$0                         | \$0                         |
|                                       | \$10,987                  | \$0                         | \$0                         |
| <b>Schools' Capital Projects Fund</b> |                           |                             |                             |
| Transfers In                          |                           |                             |                             |
| From General Fund                     | \$0                       | \$0                         | \$0                         |
|                                       | \$0                       | \$0                         | \$0                         |
| Transfers Out                         |                           |                             |                             |
| To School Bond Fund                   | (\$10,987)                | \$0                         | \$0                         |
| To Schools' Construction Fund         | (414,259)                 | 0                           | 0                           |
|                                       | (\$425,246)               | \$0                         | \$0                         |
| <b>Schools' Construction Fund</b>     |                           |                             |                             |
| Transfers In                          |                           |                             |                             |
| From General Fund                     | \$0                       | \$0                         | \$199,000                   |
| From Schools' Capital Projects Fund   | 414,259                   | 0                           | 0                           |
|                                       | \$414,259                 | \$0                         | \$199,000                   |
| Transfers Out                         |                           |                             |                             |
| To General Fund                       | (\$275,117)               | (\$803,747)                 | (\$97,487)                  |
|                                       | (\$275,117)               | (\$803,747)                 | (\$97,487)                  |
| <b>Self Insurance Fund</b>            |                           |                             |                             |
| Transfers In                          |                           |                             |                             |
| From General Fund                     | \$721,000                 | \$776,460                   | \$776,460                   |
|                                       | \$721,000                 | \$776,460                   | \$776,460                   |
| <b>Solid Waste Management Fund</b>    |                           |                             |                             |
| Transfers In                          |                           |                             |                             |
| From General Fund                     | \$1,271                   | \$0                         | \$0                         |
| From Solid Waste Reserve Fund         | 0                         | 458,851                     | 0                           |
|                                       | \$1,271                   | \$458,851                   | \$0                         |

**INTERFUND TRANSFERS**

|  | <b>Actual<br/>2005/06</b> | <b>Approved<br/>2006/07</b> | <b>Approved<br/>2007/08</b> |
|--|---------------------------|-----------------------------|-----------------------------|
| <b>Solid Waste Reserve Fund</b>            |                           |                             |                             |
| Transfers Out                              |                           |                             |                             |
| To Solid Waste Management Fund             | \$0                       | (\$458,851)                 | \$0                         |
|  | \$0                       | (\$458,851)                 | \$0                         |
| <b>Water &amp; Sewer Construction Fund</b> |                           |                             |                             |
| Transfers In                               |                           |                             |                             |
| From General Fund                          | \$1,950,000               | \$1,950,000                 | \$2,100,000                 |
| From Water & Sewer Reserve Fund            | 4,147,506                 | 2,983,367                   | 0                           |
|  | \$6,097,506               | \$4,933,367                 | \$2,100,000                 |
| <b>Water &amp; Sewer Reserve Fund</b>      |                           |                             |                             |
| Transfers In                               |                           |                             |                             |
| From General Fund                          | \$36,641                  | \$0                         | \$0                         |
|  | \$36,641                  | \$0                         | \$0                         |
| Transfers Out                              |                           |                             |                             |
| To General Fund                            | (\$114,981)               | (\$60,117)                  | (\$77,958)                  |
| To Water & Sewer Construction Fund         | (4,147,506)               | (2,983,367)                 | 0                           |
|  | (\$4,262,487)             | (\$3,043,484)               | (\$77,958)                  |
| <b>Wireless 911 Fund</b>                   |                           |                             |                             |
| Transfers Out                              |                           |                             |                             |
| To General Fund                            | \$0                       | (\$32,668)                  | \$0                         |
|  | \$0                       | (\$32,668)                  | \$0                         |
| Budget excluding Transfers                 | 204,258,710               | 188,870,401                 | 245,058,211                 |
| Transfers In                               | 10,485,495                | 10,491,901                  | 6,237,333                   |
| Transfers Out                              | (10,485,495)              | (10,491,901)                | (6,237,333)                 |

# CATAWBA COUNTY, NORTH CAROLINA

## Changes in Fund Balances, Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting)

|   | Fiscal Year           |                      |                      |                      |
|---|-----------------------|----------------------|----------------------|----------------------|
|   | 2006                  | 2005                 | 2004                 | 2003                 |
| <b>Revenues</b>   |                       |                      |                      |                      |
| Ad valorem taxes  | \$66,233,752          | \$64,037,632         | \$63,153,315         | \$59,388,468         |
| Other taxes   | 31,654,028            | 30,151,572           | 28,444,404           | 25,207,828           |
| Unrestricted intergovernmental revenues                 | 1,248,170             | 1,095,733            | 1,336,917            | 1,379,229            |
| Restricted intergovernmental revenues                   | 44,764,103            | 42,141,280           | 36,297,819           | 32,683,132           |
| Licenses and permits                                    | 3,214,736             | 3,457,883            | 2,959,092            | 2,383,424            |
| Sales and services                                      | 16,591,727            | 17,420,439           | 17,742,167           | 16,664,263           |
| Investment earnings                                     | 3,912,728             | 2,773,588            | 642,651              | 2,107,354            |
| Miscellaneous   | 3,725,976             | 3,803,472            | 4,614,575            | 2,997,207            |
| Total revenues  | <u>\$171,345,220</u>  | <u>\$164,881,599</u> | <u>\$155,190,940</u> | <u>\$142,810,905</u> |
| <b>Expenditures</b>                                     |                       |                      |                      |                      |
| Current:  |                       |                      |                      |                      |
| General government                                      | 9,978,986             | 9,449,992            | 8,506,393            | 8,543,435            |
| Public safety   | 21,209,400            | 20,032,107           | 19,088,555           | 17,156,936           |
| Environmental protection                                | 452,180               | 428,549              | 384,942              | 321,413              |
| Economic and physical development                       | 8,651,385             | 7,886,973            | 7,594,145            | 7,409,045            |
| Human services  | 66,508,454            | 65,701,149           | 59,078,864           | 56,659,920           |
| Culture and recreation                                  | 2,610,001             | 2,465,676            | 2,331,664            | 2,186,614            |
| Education   | 32,544,711            | 30,410,166           | 30,048,641           | 27,437,466           |
| Capital Outlay  | 42,549,957            | 33,473,868           | 18,690,079           | 7,859,145            |
| Debt service:   |                       |                      |                      |                      |
| Principal   | 9,975,000             | 9,230,000            | 7,160,000            | 7,065,000            |
| Interest  | 4,861,096             | 4,214,250            | 3,045,610            | 3,280,589            |
| Lease purchase payments                                 | 0                     | 70,760               | 221,803              | 433,113              |
| Bond issuance costs                                     | 0                     | 89,146               | 0                    | 0                    |
| Total expenditures                                      | <u>\$199,341,170</u>  | <u>\$183,452,636</u> | <u>\$156,150,696</u> | <u>\$138,352,676</u> |
| <b>Other Financing Sources (uses)</b>                   |                       |                      |                      |                      |
| Transfers from other funds                              | 9,763,224             | 12,301,254           | 14,239,408           | 7,945,528            |
| Transfers to other funds                                | (9,764,495)           | (12,301,946)         | (14,239,408)         | (7,945,528)          |
| Installment purchase obligations issued                 | 9,200,000             | 0                    | 9,900,000            | 0                    |
| Bond debt issued  | 0                     | 0                    | 0                    | 58,252               |
| Proceeds of capital lease                               | 0                     | 0                    | 0                    | 0                    |
| General obligation refunding bonds issued               | 0                     | 16,035,000           | 0                    | 0                    |
| Premium on general obligation refunding bonds           | 0                     | 429,179              | 0                    | 0                    |
| Payment to refunded bond escrow agent                   | 0                     | (16,321,853)         | 0                    | 0                    |
| Certificates of participation issued                    | 0                     | 55,255,000           | 0                    | 0                    |
| Premium on certificates of participation                | 0                     | 2,868,950            | 0                    | 0                    |
| Sales of capital assets                                 | 392,000               | 1,750                | 24,500               | 4,000                |
| Total other financing sources (uses)                    | <u>\$9,590,729</u>    | <u>\$58,267,334</u>  | <u>\$9,924,500</u>   | <u>\$62,252</u>      |
| <b>Net change in fund balances</b>                      | <u>(\$18,405,221)</u> | <u>\$39,696,297</u>  | <u>\$8,964,744</u>   | <u>\$4,520,481</u>   |
| Debt service as a percentage of noncapital expenditures | 9.5%                  | 9.1%                 | 7.6%                 | 8.3%                 |

**Fiscal Year**

| <b>2002</b>          | <b>2001</b>          | <b>2000</b>          | <b>1999</b>          | <b>1998</b>          | <b>1997</b>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$57,268,329         | \$55,112,257         | \$53,313,472         | \$44,738,308         | \$43,563,118         | \$39,243,950         |
| 23,023,315           | 23,470,898           | 23,136,615           | 21,392,472           | 20,206,753           | 18,496,322           |
| 4,021,740            | 4,466,558            | 4,455,262            | 4,473,707            | 4,468,639            | 4,477,652            |
| 36,382,864           | 39,579,663           | 33,650,901           | 27,585,577           | 27,065,539           | 25,014,450           |
| 2,211,753            | 2,104,748            | 2,063,027            | 1,740,558            | 1,531,438            | 1,320,465            |
| 15,121,137           | 13,122,659           | 12,042,526           | 12,398,709           | 12,189,055           | 11,637,616           |
| 2,720,791            | 5,300,521            | 4,255,233            | 3,640,529            | 3,915,990            | 3,143,100            |
| 2,544,061            | 2,612,919            | 2,302,141            | 1,991,501            | 3,635,472            | 2,008,421            |
| <u>\$143,293,990</u> | <u>\$145,770,223</u> | <u>\$135,219,177</u> | <u>\$117,961,361</u> | <u>\$116,576,004</u> | <u>\$105,341,976</u> |
| 7,569,288            | 7,466,659            | 8,728,954            | 8,058,798            | 7,913,031            | 7,548,796            |
| 16,313,961           | 15,025,312           | 15,094,171           | 12,693,838           | 11,940,204           | 11,551,999           |
| 388,926              | 505,205              | 430,994              | 423,155              | 413,193              | 363,110              |
| 7,518,580            | 6,735,065            | 4,871,841            | 4,199,148            | 3,374,628            | 3,522,497            |
| 55,721,269           | 53,307,727           | 48,907,143           | 47,155,262           | 45,268,605           | 42,007,839           |
| 2,234,409            | 2,292,733            | 2,274,479            | 2,265,773            | 2,024,044            | 2,090,741            |
| 28,202,411           | 27,566,111           | 25,871,097           | 24,172,744           | 23,114,413           | 21,752,846           |
| 13,181,244           | 25,702,494           | 30,993,580           | 30,977,070           | 16,924,978           | 11,585,893           |
| 6,800,000            | 6,835,000            | 6,380,000            | 5,450,000            | 4,010,000            | 4,025,000            |
| 3,756,560            | 4,087,385            | 3,916,052            | 3,416,496            | 3,135,777            | 2,730,756            |
| 430,757              | 558,770              | 558,770              | 478,487              | 536,858              | 536,460              |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| <u>\$142,117,405</u> | <u>\$150,082,461</u> | <u>\$148,027,081</u> | <u>\$139,290,771</u> | <u>\$118,655,731</u> | <u>\$107,715,937</u> |
| 4,144,646            | 9,007,001            | 12,754,973           | 7,188,587            | 11,803,044           | 8,123,567            |
| (4,103,345)          | (7,987,501)          | (11,727,389)         | (5,798,153)          | (11,067,158)         | (7,017,820)          |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| 0                    | 0                    | 8,955,000            | 24,196,277           | 26,663,596           | 0                    |
| 400,000              | 0                    | 350,000              | 0                    | 199,860              | 0                    |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| <u>\$441,301</u>     | <u>\$1,019,500</u>   | <u>\$10,332,584</u>  | <u>\$25,586,711</u>  | <u>\$27,599,342</u>  | <u>\$1,105,747</u>   |
| <u>\$1,617,886</u>   | <u>(\$3,292,738)</u> | <u>(\$2,475,320)</u> | <u>\$4,257,301</u>   | <u>\$25,519,615</u>  | <u>(\$1,268,214)</u> |

8.5%

9.2%

9.3%

8.6%

7.6%

7.6%